

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 79 - SB 429

February 10, 2013

SUMMARY OF BILL: Requires the annual actuarial study of TennCare and participating managed care organizations conducted pursuant to Tenn. Code Ann. § 71-5-188 to include an analysis of the effect of reduction of payments to providers on the provision of care.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$25,000

Increase Federal Expenditures – Exceeds \$25,000

Assumptions:

- The actuarial studies are conducted by an outside contractor.
- According to the Bureau of TennCare (the Bureau), expanding the scope of the current annual actuarial study will require additional data analysis by the contractor. The size of the project will depend on the parameters of the analysis including the size of the provider group.
- According to the Bureau, the current annual actuarial study costs approximately \$250,000. The additional data analysis required by a small to medium-sized reimbursement terms analysis project will increase expenditures by at least \$50,000. A larger project will increase expenditures by a greater amount.
- Of the minimum \$50,000 estimated, \$25,000 will be federal funds at a 50 percent federal match rate and \$25,000 will be state funds at a 50 percent match rate.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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